

**Testimony of  
UIL Holdings Corporation**

**Re: SB 267  
AN ACT CONCERNING CLEAN AND ALTERNATE FUEL VEHICLES**

**March 7, 2012**

Good afternoon, Senator Meyer, Representative Roy and members of the Environment Committee. The UIL Holdings Corporation (UIL) is pleased to provide testimony on **SB 267, AN ACT CONCERNING CLEAN AND ALTERNATE FUEL VEHICLES**

UIL supports innovation in energy supply, economic development in the state and the communities we serve, and reducing the cost of energy to the state's municipalities and businesses. Our utility operating companies, The United Illuminating Company (UI), The Southern Connecticut Gas Company (SCG) and Connecticut Natural Gas Corporation (CNG) stand ready, willing and able to be part of developing innovative solutions, like that proposed in SB 267. Over the last decade, this Committee and the legislature have established an alternate fuel vehicle policy that is environmentally driven and supported by municipalities and businesses in the State and the proposed tax incentive programs in this bill will help advance this policy.

Temporary tax exemptions that are identified in the proposed legislation will serve to speed the development of various alternate fuel vehicle projects in the State. These tax incentives represent prudent policy since the lost revenue, at this time, is appreciably less than the costs the State would incur for the required administration and collection of the tax revenues. New evolving technologies in the alternate fuel vehicle industry such as electric vehicles, natural gas vehicles and hydrogen and fuel cell vehicles have the potential to greatly reduce operating expenses for municipalities and businesses within the state providing valuable economic stimulus. In each case of new technology deployment a critical component of market growth is the need to grow the necessary re-fueling or re-charging infrastructure to support the new target fleet. As the technology matures in the future the taxation incentives can be adjusted to levels equivalent to conventional transportation technologies.

Our industry and our multiple partners, including the State of Connecticut, the Cities of Hartford, New Haven, Bridgeport and the Towns of Berlin, Greenwich, Fairfield, Stratford, Glastonbury, Trumbull, as well as the United Parcel Service, the U. S. Postal Service and others, have embraced this environmentally friendly technology. It is clear that your policies are producing results; however, we continue the need to nurture this environmentally beneficial industry.

The UI appreciates the opportunity to provide these written comments and supports the bill. If you have additional questions or wish to discuss these comments further, please contact Al Carbone, UIL's Government Relations Professional, at (203) 671-4421.